



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
45 L STREET NE
WASHINGTON D.C. 20554

News media information 202-418-0500
Internet: <http://www.fcc.gov> (or <ftp.fcc.gov>)
TTY (202) 418-2555

Report No. SCL-00338NS

Friday October 22, 2021

Non-Streamlined Submarine Cable Landing License Applications

Accepted For Filing

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing license; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license. These applications are not subject to the streamlined processing procedures set forth in Section 1.767 of the Commission's rules, 47 CFR § 1.767.

Unless otherwise specified, filings relating to these applications must be received within 14 days of this notice. Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 CFR § 1.1206.

These applications are being coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 CFR § 1.767(b), and consistent with procedures established with the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Streamlined Procedures for Executive Branch Review of Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <http://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within ninety (90) days after release of this public notice, unless it determines that additional time is needed.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Submarine Cable Landing License

PTI Pacifica Inc., dba IT&E (PTI Pacifica or Applicant), has filed an application for a new cable landing license to allow the continued operation of the MTC Interisland Cable System (MICS) for an additional 25-year term following the expiration of the current license on February 13, 2022.

The MICS Cable is a common carrier fiber-optic submarine cable system that connects three islands of the Commonwealth of the Northern Mariana Islands (CNMI) - Saipan, Tinian, and Rota - with each other and to Guam. The MICS Cable was originally licensed in 1993 and commenced service on February 13, 1997. See File No. SCL-LIC-19921015-00007 (previous File No. SCL-92-003), Cable Landing License, 8 FCC Rcd 748 (CCB 1993).

MICS consists of 6 fiber pairs on each segment, with a current system design capacity of 150 gigabits per second (Gbps). The cable system is approximately 166.3 miles in length and its capacity has been upgraded three times since being placed in service in 1997.

PTI Pacifica states that the license renewal will permit the continued operation of an upgraded cable that provides telecommunications, video, and broadband internet connectivity services to customers of PTI Pacifica and other providers of telecommunications services between Guam and CNMI. Applicant states that the MICS Cable provides a competitive alternative to the Atisa Cable that serves the same routes in the region, and that MICS is essential to continue to provide broadband growth and diversity to CNMI's remote regions to support economic growth, education, health, safety, and emergency services in those regions. Applicant further states that the Federal government depends on this facility to transport interisland communications in support of military and other national security operations.

MICS consists of three segments: Segment 1 connects a cable landing station at Tanguisson, Guam to the Sinapalo, Rota cable landing station; Segment 2 connects the Sinapalo, Rota cable landing station to the San Jose, Tinian cable landing station, and Segment 3 connects the San Jose, Tinian cable landing station to the Susupe, Saipan cable landing station. The system is repeaterless and all optical fiber driving equipment is located ashore at the cable stations.

MICS is 100% owned and controlled by PTI Pacifica, the sole licensee of the cable system.

The ownership and control of the cable landing stations are as follows: (1) PTI Pacifica will continue to retain operational authority over the cable landing station located at Tanguisson, Guam that is owned by AT&T Corp.; (2) PTI Pacifica will continue to own and operate the cable landing station located at Sinapalo, Rota; (3) PTI Pacifica will continue to own and operate the cable landing station located at San Jose, Tinian; and (4) PTI Pacifica will continue to own and operate the cable landing station located at Susupe, Saipan.

Applicant requests a waiver of 1.767 (h)(1) of the Commission's rules, 47 CFR 1.767(h)(1), so that AT&T need not be a joint applicant for the renewal application. Section 1.767(h)(1) requires that "any entity that owns or controls a cable landing station in the United States" shall be an applicant for, and licensee on, a cable landing license." 47 CFR § 1.767(h)(1). PTI Pacifica states that AT&T Corp. will have no ability to affect significantly the operation of MICS, and that inclusion of AT&T Corp. as a joint applicant is not necessary to ensure compliance by the Applicant with the Cable Landing License Act, the Commission's cable landing license rules, or the terms of the cable landing license. According to the Applicant, PTI Pacifica and AT&T Corp. have an existing agreement that provides PTI Pacifica with a long-term lease for collocation space in the cable landing station for which PTI Pacifica has exclusive access and control. The term of the leasehold expires when MICS is retired from service.

The Applicant proposes to operate the cable system on a non-common carrier basis and requests that the Commission change the regulatory classification of MICS from common carrier to non-common carrier. PTI Pacifica asserts that MICS is not a bottleneck and that there are other routing options and competitive alternatives for interisland traffic. Specifically, PTI Pacifica states that non-common carrier status is appropriate because the Atisa submarine cable system, owned by a competitor, provides service to each of the same islands as MICS - Saipan, Tinian, Rota, and Guam - and is operated on a non-common carrier basis. Further, Applicant states that it intends to use the capacity for backhaul of its own wireless traffic and to provide services to enterprise, government customers, and other carriers pursuant to individually negotiated rates, terms, and conditions tailored to their particular needs.

PTI Pacifica, a CNMI company, is ultimately owned and controlled, on a majority basis (53.99%), by a Philippine investor. The ten percent or greater direct and indirect interest holders in PTI Pacifica are: (1) The Micronesian Telecommunications Corporation (MTC), a CNMI company (100% equity and voting); (2) Pacific Telecom Inc., a CNMI company (100% equity and voting in MTC); (3) Prospector Pacific Investments Inc. (PPI), a CNMI company (85% equity and voting in Pacific Telecom Inc.); (4) SK Telecom Co. Ltd., a South Korea company (15% equity and voting in Pacific Telecom Inc.); (5) Citadel Pacific Ltd. (Citadel Pacific), a Cayman Islands company (100% equity and voting in PPI); (6) Ricardo C. Delgado, a citizen of the Philippines (53.99% equity and voting in Citadel Pacific); (7) Jose Ricardo Delgado, a citizen of the Philippines (36.25% equity and voting in Citadel Pacific); (8) Classroom Investments Inc., a Canadian company (9.76% equity and voting in Citadel Pacific); and (9) Ontario Teachers' Pension Plan, a Canadian entity (100% equity and voting in Classroom Investments Inc.).

Applicant agrees to accept and abide by the routine conditions specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

Applicant requests that grant of the application be conditioned on the continued compliance by PTI Pacifica, its parents, and subsidiaries, with the terms of the network security agreement between Pacific Telecom Inc. and The Micronesian Telecommunications Corporation and the Department of Justice, the Federal Bureau of Investigation, the Department of Homeland Security, and the Department of Defense dated October 6, 2003. See Bell Atlantic New Zealand Holdings, Inc., Transferor, and Pacific Telecom Inc., Transferee, Applications for Consent to Transfer Control of a Submarine Cable Landing License, International and Domestic Section 214 Authorizations, a Cellular Radiotelephone License, Common Carrier and Non-Common Carrier Satellite Earth Station Licenses, and a Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act, IB Docket No. 03-115, Order and Authorization, 18 FCC Rcd 23140, Appendix B (IB/WCB/WTB 2003).

Pursuant to Commission practice, the application is being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the proposed foreign ownership of PTI Pacifica.

REMINDER:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See 47 CFR §§ 1.2001–.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.